

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 1997

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Docket No. R97-1

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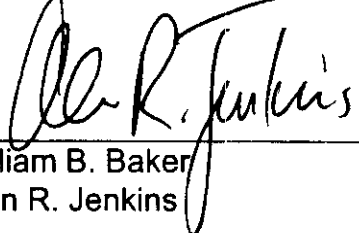
**NEWSPAPER ASSOCIATION OF AMERICA  
INTERROGATORY TO  
U.S. POSTAL SERVICE WITNESS  
DONALD M. BARON (NAA/USPS-NOI3-1)  
February 12, 1998**

The Newspaper Association of America hereby submits the attached interrogatory to Postal Service witness Donald M. Baron concerning the Statement of Donald M. Baron in Response to Notice of Inquiry No. 3 (NOI3/DB), and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

By:

  
William B. Baker  
Alan R. Jenkins

Robert J. Brinkmann  
NEWSPAPER ASSOCIATION OF AMERICA  
529 14th Street, N.W.  
Suite 440  
Washington, D.C.  
(202) 638-4792

WILEY, REIN & FIELDING  
1776 K Street, N.W.  
Washington, DC 20006-2304  
(202) 429-7255

## CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

February 12, 1998

  
Alan R. Jenkins

NEWSPAPER ASSOCIATION OF AMERICA  
INTERROGATORY TO  
U.S. POSTAL SERVICE WITNESS  
DONALD M. BARON (NAA/USPS-NOI3-1)

NAA/USPS-NOI3-1 Please refer to your discussion at page 1 of your supplemental statement where you state: "Further, I regarded this residual cost as a function of volume at a stop. I noted, for example, that residual cost falls to zero as volume falls to zero."

- (a) Do "residual costs" vary with volume? If no, please explain what you mean when you state that residual costs are a function of volume at a stop.
- (b) Using your proposed attribution method, are the "residual costs" attributed to the subclasses of mail? If yes, please explain how these costs are attributed to the subclasses of mail. If no, please explain why these costs are not attributed if the residual costs are a "function of volume at a stop."
- (c) As volume falls to zero, do the residual costs fall to zero at each stop because the stop is eliminated? Please explain your response.
- (d) Assume that the Commission chooses to attribute elemental load-time costs to subclasses of mail using your proposed method and also chooses to attribute "coverage-related" load costs to subclasses using its single subclass stop methodology. Would the "residual costs" you identify be included as part of the "coverage-related" load costs that would be attributed using the single subclass stop methodology? If no, please explain why not.
- (e) Would any other costs be included in "coverage-related" load costs? If yes, please identify these costs and explain how they are estimated in your equations.